

# The Supreme Court's Decision

What the recent ruling means for you:

On June 28, 2012, the U.S. Supreme Court issued its decision on the constitutionality of the health care reform law. The Court ruled that Congress acted within its constitutional authority when enacting the individual mandate and it upheld the law.

## The Court Decision

A major component of the health care reform law, or Affordable Care Act, is the individual mandate—a provision that will require most individuals to purchase health care coverage or pay a penalty, beginning in 2014. The legal challenge to the health care reform law focused on the individual mandate.

In its decision, the Supreme Court held that Congress had the power to enact the individual mandate. Because the Court upheld the mandate, it did not need to decide whether other provisions of the law were constitutional. Thus, the Supreme Court upheld the health care reform law.

On a separate issue, the health care reform law includes a provision that requires states to comply with new Medicaid eligibility requirements or risk losing their federal funding. The Court upheld this section, but decided that Congress cannot penalize states that decide not to participate in the law's Medicaid expansion by taking away their existing Medicaid funding.

## What This Means for You

Because the health care reform law was upheld, all aspects of the law that have been implemented will remain in effect. For example:

- Adult children can remain on their parents' coverage until age 26,
- Children with pre-existing conditions cannot be excluded from health care coverage, and
- Non-grandfathered plans must cover certain preventive health services without cost-sharing

Additionally, provisions of the health care reform law that are not currently in effect will continue to be implemented as planned. For example, beginning in 2013, pre-tax contributions to health flexible spending accounts (FSAs) will be limited to \$2,500. Also, beginning in 2014, employers with 50 or more employees that do not provide health care coverage (or provide health care coverage that does not meet minimum standards) may be subject to a penalty.

The City of Colorado Springs medical plan is considered "Non-Grandfathered" and has incorporated the changes necessary to be in compliance. This fall a new form called Summary of Benefits Coverage will be provided during the Open Enrollment process. This is a standard new form that all employers must provide. Additionally, the 2012 cost of health benefits will be included on your W-2's issued in January 2013 and forward. Additional preventive care services for women will be covered at no cost-sharing as of January 2013 as a result of PPACA requirements.

For any questions, please contact Benefits & Wellness Staff at: [citybenefitshelp@springsgov.com](mailto:citybenefitshelp@springsgov.com) or 385-5125.